

Message Text

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SUBJECT: ANNOUNCEMENT BY THE SECRETARY

1. THE FOLLOWING STATEMENT WAS ISSUED BY THE SECRETARY
AT 6:30 PM, WASHINGTON TIME, TODAY, JANUARY 13.

2. BEGIN TEXT:

SINCE THE PRESIDENT SIGNED THE TRADE ACT ON JANUARY
3, WE HAVE BEEN IN TOUCH WITH THE SOVIET GOVERNMENT
CONCERNING THE STEPS NECESSARY TO BRING THE 1972 US-
SOVIET TRADE AGREEMENT INTO FORCE.

ARTICLE 9 OF THAT AGREEMENT PROVIDES FOR AN EXCHANGE
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OF WRITTEN NOTICES OF ACCEPTANCE, FOLLOWING WHICH THE

AGREEMENT, INCLUDING RECIPROCAL EXTENSION OF NON-DISCRIMINATORY TARIFF TREATMENT (MFN), WOULD ENTER INTO FORCE. IN ACCORDANCE WITH THE RECENTLY ENACTED TRADE ACT, PRIOR TO THIS EXCHANGE OF WRITTEN NOTICES, THE PRESIDENT WOULD TRANSMIT TO THE CONGRESS A NUMBER OF DOCUMENTS, INCLUDING THE 1972 AGREEMENT, THE PROPOSED WRITTEN NOTICES, A FORMAL PROCLAMATION EXTENDING MFN TO THE USSR AND A STATEMENT OF

REASONS FOR THE 1972 AGREEMENT. EITHER HOUSE OF CONGRESS WOULD THEN HAVE HAD 90 LEGISLATIVE DAYS TO VETO THE AGREEMENT.

IN ADDITION TO THESE PROCEDURES, THE PRESIDENT WOULD ALSO TAKE CERTAIN STEPS, PURSUANT TO THE TRADE ACT, TO WAIVE THE APPLICABILITY OF THE JACKSON-VANIK AMENDMENT. THESE STEPS WOULD INCLUDE A REPORT TO THE CONGRESS STATING THAT THE WAIVER WILL SUBSTANTIALLY PROMOTE THE OBJECTIVES OF THE AMENDMENT AND THAT THE PRESIDENT HAS RECEIVED ASSURANCES THAT THE EMIGRATION PRACTICES OF THE USSR WILL HENCEFORTH LEAD SUBSTANTIALLY TO THE ACHIEVEMENT OF THE OBJECTIVES OF THE AGREEMENT.

IT WAS OUR INTENTION TO INCLUDE IN THE REQUIRED EXCHANGE OF WRITTEN NOTICES WITH THE SOVIET GOVERNMENT LANGUAGE, REQUIRED BY THE PROVISIONS OF THE TRADE ACT, THAT WOULD HAVE MADE CLEAR THAT THE DURATION OF THREE YEARS REFERRED TO IN THE 1972 TRADE AGREEMENT WITH THE USSR WAS SUBJECT TO CONTINUED LEGAL AUTHORITY TO CARRY OUT OUR OBLIGATIONS. THIS CAVEAT WAS NECESSITATED BY THE FACT THAT THE WAIVER OF THE JACKSON-VANIK AMENDMENT WOULD BE APPLICABLE ONLY FOR AN INITIAL PERIOD OF 18 MONTHS, WITH PROVISION FOR RENEWAL THEREAFTER.

THE SOVIET GOVERNMENT HAS NOW INFORMED US THAT IT CANNOT ACCEPT A TRADING RELATIONSHIP BASED ON THE LEGISLATION RECENTLY ENACTED IN THIS COUNTRY. IT CONSIDERS THIS LEGISLATION AS CONTRAVENTING BOTH THE 1972 TRADE AGREEMENT, WHICH HAD CALLED FOR AN UNCONDITIONAL ELIMINATION OF DISCRIMINATORY TRADE RESTRICTIONS, AND THE PRINCIPLE OF NON-INTERFERENCE IN DOMESTIC AFFAIRS.

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THE SOVIET GOVERNMENT STATES THAT IT DOES NOT INTEND TO ACCEPT A TRADE STATUS THAT IS DISCRIMINATORY AND SUBJECT TO POLITICAL CONDITIONS AND, ACCORDINGLY, THAT IT WILL NOT PUT INTO FORCE THE 1972 TRADE AGREEMENT. FINALLY, THE SOVIET GOVERNMENT INFORMED US THAT IF STATEMENTS WERE MADE BY THE UNITED STATES, IN THE TERMS REQUIRED BY THE TRADE ACT, CONCERNING ASSURANCES BY THE SOVIET GOVERNMENT REGARDING MATTERS IT CONSIDERS WITHIN ITS

DOMESTIC JURISDICTION, SUCH STATEMENTS WOULD BE
REPUDIATED BY THE SOVIET GOVERNMENT.

IN VIEW OF THESE DEVELOPMENTS, WE HAVE CONCLUDED
THAT THE 1972 TRADE AGREEMENT CANNOT BE BROUGHT INTO
FORCE AT THIS TIME AND THAT THE PRESIDENT WILL THEREFORE

NOT TAKE THE STEPS REQUIRED FOR THIS PURPOSE BY THE TRADE
ACT. THE PRESIDENT DOES NOT PLAN AT THIS TIME TO
EXERCISE THE WAIVER AUTHORITY.

THE ADMINISTRATION REGRETS THIS TURN OF EVENTS.
IT HAS REGARDED AND CONTINUES TO REGARD AN ORDERLY
AND MUTUALLY BENEFICIAL TRADE RELATIONSHIP WITH THE
SOVIET UNION AS AN IMPORTANT ELEMENT IN THE OVERALL
IMPROVEMENT OF RELATIONS. IT WILL, OF COURSE, CONTINUE
TO PURSUE ALL AVAILABLE AVENUES FOR SUCH AN IMPROVEMENT,
INCLUDING EFFORTS TO OBTAIN LEGISLATION THAT WILL
PERMIT NORMAL TRADING RELATIONSHIPS.

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